

U.S. Bank expands SMB market push with cross-selling plans for State Farm customers

Article

The news: U.S. Bank is now [offering](#) banking products to **State Farm's** small and medium-sized business (SMB) insurance customers. The partnership involves making deposits, lending,

digital capabilities, and payment solutions available to companies through State Farm's **nearly 19,000** agents across the country.

More on this: The collaboration between the banking giant and the insurer represents a deepening of a strategic alliance that the companies **unveiled** in March 2020. The alliance began when U.S. Bank agreed to take over State Farm's credit-card book and deposits, in connection with the insurer's decision to get out of banking.

U.S. Bank's partnership comes with a milestone for scope: It pointed out this is the first time that it's offered a broad suite of business-banking services nationwide, as opposed to its historical **26-state** footprint.

In areas where U.S. Bank lacks branches or ATMs, it's operating as a digital-only bank with mobile and online channels available, **per** an FAQ section for the companies. This also includes making **MoneyPass** ATMs available to customers.

The bigger picture: The deal is the latest push by U.S. Bank to broaden its SMB operations. The banking giant **announced** in August that it would acquire SMB-focused fintech **Bento**, which offers corporate cards and an invoicing product. That tie-up involves pairing Bento's lineup with U.S. Bank's existing accounts receivable products.

The opportunity: The latest initiative, when paired with the Bento deal, represents a broader push by U.S. Bank to garner SMB customers. Both developments also position the incumbent favorably to compete against digital challengers, such as:

- **Square**, which **took a plunge** into SMB neobank in July 2021 with checking and savings accounts.
- **Brex**, which **offers** a business-banking account, expense tracking, and a corporate card with a sliding scale for rewards that lets customers get up to eight points for every dollar they spend.
- **Capital on Tap**, a UK SMB lending fintech that's **expanding** to the US after landing a \$100 million credit facility.

U.S. Bank's partnership with State Farm gives it a base of potential customers that it can gain through the insurer's agents cross-selling to SMB policyholders—and a national scope for its business-banking suite to boot.